Supreme Court, U.S.
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No. 00-

IN THE
Supreme Court of the United States

BRIDGESTONE/FIRESTONE, INC.,
Petitioner,

v.

POLYMER INDUSTRIAL PRODUCTS COMPANY
and POLYMER ENTERPRISES CORPORATION,
Respondents.

Petition for Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

The United States Court of Appeals for the Federal Circuit is the sole court of appeals for patent matters but split within itself on critical issues of patent law.

In *principle*, the United States Court of Appeals for the Federal Circuit has recognized, "...that stare decisis 'promotes the evenhanded, predictable, and consistent developments of legal principles, fosters reliance on judicial decisions and contributes to the actual and perceived integrity of the judicial process.' *Payne v. Tennessee*, 501 U.S. 808, 827 (1991)." *Festo Corporation v. Shoketsu Kinzuku Kogyo Kabushiki Co.* 234 F.3d 558, 575 (Fed. Cir, 2000).

In *practice*, the United States Court of Appeals for the Federal Circuit is unpredictable and inconsistent in one of its most important responsibilities: construction of patent claims as a matter of law and use of the specification and other intrinsic evidence in such claim construction, a responsibility which that Court performs *de novo* according to *Markman v. Westview Instruments* 517 U.S. 370 (1996).

Such unfortunate unpredictability and inconsistency are particularly acute in the pronouncements of that Court, on succeeding days, of a nonprecedential, unpublished decision in one direction that did not address all issues on appeal and two precedential, published decisions in the opposite direction.

The Federal Circuit has "recognize[d] that there is *sometimes* a fine line between reading a claim in light of the specification, and reading a limitation into the claim from the specification."(emphasis added)[1] The former is deemed acceptable; the latter is not. The location of the sometime fine line is uncertain, unpredictable, and inconsistent.

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[1] *Comark Communications, Inc. v. Harris Corp.*, 156 F.3d 1182, 1186, 48 USPQ2d 1001, 1005 (Fed. Cir. 1998).

The questions presented are:

1) How should a patent's specification be used to interpret a claim of that patent?

2) How should a court's rules, distinguishing between precedential and nonprecedential decisions, assure *stare decisis* occurs?

3) How should a Court assure that all issues on appeal that have been briefed and argued are addressed by a panel of that Court?

PARTIES TO THE PROCEEDING

Petitioner, Bridgestone/Firestone, Inc., has a parent company, Bridgestone Corporation of Tokyo, Japan.

Bridgestone/Firestone, Inc. does not issue shares to the public and is wholly owned by Bridgestone Corporation. Bridgestone Corporation issues shares to the public. There are no other subsidiaries or affiliates of either Bridgestone/Firestone, Inc. or Bridgestone Corporation that have issued shares to the public.

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Bridgestone/Firestone, Inc. ("this Petitioner") hereby petitions for a writ of *certiorari* to review the three-judge panel decision in this case, dated March 13, 2001, by the United States Court of Appeals for the Federal Circuit.

OPINIONS BELOW

The Federal Circuit issued its unpublished decision in this case on March 13, 2001, affirming the district court (App. 1a - 12a). The Federal Circuit denied a Petition for Rehearing and Rehearing *En Banc* on April 18, 2001 (App. 13a - 14a).

JURISDICTION

The Federal Circuit entered its opinion and order on March 13, 2001 and its decision rejecting petition for rehearing and rehearing *en banc* on April 18, 2001. The Federal Circuit entered its mandate for this case on April 25, 2001. This Court has jurisdiction under 28 U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

Article I, § 8, clause 8 of the Constitution provides:

"Congress shall have the power ... to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their Respective Writings and Discoveries."

Amendment V of the Constitution provides:

"No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in

time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation."

35 U.S.C. § 101 provides:

"Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title."

35 U.S.C. § 112 provides:

"The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

"The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

"A claim may be written in independent or, if the nature of the case admits, in dependent or multiple dependent form.

"Subject to the following paragraph, a claim in dependent form shall contain a reference to a claim previously set forth and then specify a further limitation of the subject matter claimed. A claim in dependent form shall

be construed to incorporate by reference all the limitations of the claim to which it refers. A claim in multiple dependent form shall contain a reference, in the alternative only, to more than one claim previously set forth and then specify a further limitation of the subject matter claimed. A multiple dependent claim shall not serve as a basis for any other multiple dependent claim. A multiple dependent claim shall be construed to incorporate by reference all the limitations of the particular claim in relation to which it is being considered.

"An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof."

STATEMENT OF THE CASE

This case presents a regrettable example of unpredictable and inconsistent application of patent law upon parties in litigation, in such manner as to cause unpredictability and inconsistency to dwell in the minds of the American public and those enterprises engaged in interstate commerce utilizing or respecting patent rights. By U.S. statutory and judicial design, the United States Court of Appeals for the Federal Circuit ("Federal Circuit") is the sole court of appeal for patent matters and exercises *de novo* review of patent claim construction as a matter of law. For litigants within this reality, the hearing by the Federal Circuit of patent legal matters on appeal must be predictable, consistent, and complete. *It is not.*

In practice, the United States Court of Appeals for the Federal Circuit has two different rules of claim construction with respect to intrinsic evidence:

(A) (1) "reading a claim in view of the specification" vs. (2) "unnecessarily reading a limitation from the specification into the claim."

In practice, the United States Court of Appeals for the Federal Circuit has two different means of applying such rules of claim construction:

(B) (1) precedential, published panel decisions, which add significantly to the body of law, vs. (2) non-precedential, unpublished panel decisions, which do not, but do have full effect upon the litigants.

When one litigation receives the benefit of a full adjudication of all issues on appeal culminating in a precedential, published opinion, the Federal Circuit fulfills its design. But when another litigation receives an incomplete and inconsistent adjudication of the issues on appeal revealed in a nonprecedential, unpublished opinion, the Federal Circuit fails its essential purpose. There is no Equal Justice Under Law, which is a concept displayed on this Court's own edifice.

This Petitioner was a defendant found to have infringed, willfully, certain claims of U.S. Pat. No. 4,381,331 (Johnson) (hereafter "'331 patent") in the United States District Court For The Northern District Of Ohio (No. 95-CV-0043) Patricia A. Gaughan, United States District Judge presiding. Both this Petitioner and Plaintiffs Polymer Industrial Products Company and Polymer Enterprises Corporation (collectively "PIPCO") appealed to the Federal Circuit (Nos. 00-1271 -1299, respectively). Following briefing and oral argument on February 5, 2001 to one three-judge panel of the Federal Circuit, that panel issued, quite rapidly, a nonprecedential, unpublished opinion on March 13, 2001 (App.1a-12a) which dwelt inconsistently on patent claim construction and incompletely on appellate issues concerning erroneous jury instructions. Following this Petitioner's Petition for Rehearing and Rehearing *en banc*, the Federal Circuit issued its denial of Rehearing and Rehearing *en banc* on April 18, 2001 (App. 13a-14a).

The construction by the Federal Circuit panel of claim 1 of the Patent '331 was glaringly inconsistent with two other cases *under deliberation concurrently with this case and published only one day later than this case*, namely: *SciMed Life Sys., Inc. v. Advanced Cardiovascular Sys., Inc.*, 242 F.3d 1337 (Fed. Cir. Mar. 14, 2001) and *Netword, LLC v. Centraal Corp.*, 242 F. 3d 1347 (Fed. Cir. Mar. 14, 2001).

The Federal Circuit's nonprecedential, unpublished opinion (App.1a-12a) was incomplete because the Federal Circuit panel did not address this Petitioner's argument that the district court's jury instructions on willfulness and lost profits were erroneous and required a new trial.

1. *Erroneous Claim Construction of the '331 Patent.*

The claims at issue require:

> ... a fabric layer of spaced cords calendered with a coating of unvulcanized uncured rubbery polymer partially embedded in the rubbery polymer surface, the spaces between the cords being free of said polymer at said surface so that such cords project above said surface.

This Petitioner urged that, because the disclosure of Fig. 4 of the '331 patent (App. 16a) was admittedly not covered by the claims at issue, a patent claim construction taking those admissions into account would yield a non-infringement finding as a matter of law. The accused product resembled the intermediate structure shown in Fig. 4 of the '331 patent, not the final product structure shown in Fig. 3 of the '331 patent (App. 16a). Undeniably, there is a transformation from the *admittedly unclaimed* intermediate structure of Fig. 4 to the final, claimed structure of Fig. 3.

Moreover in its post-trial and appellate arguments, this Petitioner urged that patent claim required the effect of

abrading because the specification of PIPCO's '331 patent indicated that abrading excess rubber was not necessary *only* when elastic fabric was used to make the claimed product; the accused product used inelastic fabric.

Other intrinsic and uncontroverted evidence of the extensive prosecution history confirmed the singular importance of removal of polymer from between cords of the layer with repeated explanations to U.S. Patent and Trademark Office and admissions during this case at trial that abrading was the only known way of achieving the structure covered by the claims at issue.

It also appeared that the Federal Circuit panel misunderstood this Petitioner's "Figure 4" argument as coextensive with this Petitioner's "abrading" argument.[2] The "abrading" argument and Figure 4 provide two *alternative*, appropriate ways to utilize the specification and drawings, that is to say, intrinsic evidence established by *Markman v. Westview Instruments* as the means to give meaning to the claim language quoted above.

2. *Erroneous Jury Instructions*

This Petitioner's briefs on appeal to the Federal Circuit urged that the willfulness instruction given by the district court was erroneous, and prejudicially so, because it was (a) an open-ended list of certain factors, and (b) contained some of the *Read Corp. v. Portec* factors for enhancement of damages (*see* 970 F.2d 816, 23 USPQ2d 1426 (Fed. Cir. 1992)), but did not state the proper willfulness standard. PIPCO's response did not take issue with either of these showings. While the Federal Circuit did consider

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[2] *See* (App. 5a) ("It may very well be true . . . that Fig. 4 of the '331 patent is merely an intermediate stage of the claimed product. But to conclude from this that abrading is required by claim 1 would amount to an impermissible importation of a limitation found in the written description into the claim.").

other aspects of this Petitioner's challenges to the district court's willfulness and enhancement determinations, the Federal Circuit did not address the erroneousness of the jury charge.[3]

The Federal Circuit affirmed a $2.5 million-plus lost-profits award against this Petitioner based on a serious misapprehension of the argument this Petitioner presented to the Federal Circuit: faulty and incomplete jury instruction on lost profits. Despite ample record evidence of a wide variety of noninfringing alternatives available from this Petitioner (as well as from Longwood and Pirelli Armstrong), the jury was told that PIPCO was entitled to recover lost profits if the jury found that the only two suppliers in the market for the bladders were PIPCO and this Petitioner. This Petitioner thus argued that the instruction was erroneous not because it allocated the burdens incorrectly, but because it omitted *entirely* the required second step of the lost-profits analysis, and made noninfringing alternatives legally irrelevant, regardless of the allocation of the burden of proof. This error precluded this Petitioner from effectively arguing the existence of noninfringing alternatives, and allowed PIPCO to obtain a lost-profits award from the jury based on nothing more than a mere showing of a two-supplier market.

The Federal Circuit panel should have vacated the damages awards based on two erroneous jury instructions and remanded for a new trial on damages.

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[3] The Federal Circuit's failure to consider this argument was particularly perplexing, since this instruction was one of the two subjects raised in PIPCO's post-argument letter of February 8, 2001 and Firestone's response of February 12, 2001.

REASONS FOR GRANTING THE WRIT

Petitioner seeks review because the judgment below:

(1) is in direct conflict with

(a) this Court's *Markman v. Westview Instruments* decision which makes the most critical aspect of infringement law -- claim construction -- a matter for judges alone, reviewable *de novo* by the Federal Circuit, and

(b) this Court's *Payne v. Tennessee* decision which embraces *stare decisis* to promote the evenhanded, predictable, and consistent development of legal principles;

(2) was issued according to Federal Circuit rules permitting unpublished, nonprecedential opinions which do not result in the equal treatment of due process of law which the Fifth Amendment to the U.S. Constitution requires; and

(3) is inimical to the public policy of establishing the Federal Circuit as the sole court of appeals for patent matters, when that court of appeals fails to address all of the issues on appeal.

Because the Federal Circuit has exclusive jurisdiction of patent appeals from district courts, there can be no circuit conflict.[4] By statutory design, other circuits can not be involved in patent claim construction. When the Federal Circuit's own procedures and decisions foment unpredictability and uncertainty, no one can benefit from the

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[4] Like the *Festo* petition for *certiorari* granted by this Court earlier this month, the lack of circuit conflict is a natural result of the Federal Circuit's jurisdiction, in which case the Federal Circuit made efforts to establish a bright line of demarcation with respect to the application of the Doctrine of Equivalents, another aspect of claim interpretation for patent infringement.

receipt of a patent grant or the use of that grant to exclude others in the marketplace because the Federal Circuit tools of claim construction in view of the specification are so unpredictable and uncertain.[5]

I. *Certiorari* Should Be Granted Because the Decision Below Conflicts Directly With Decisions of This Court.

This Court should determine, or require the Federal Circuit to determine, when and under what circumstances it is appropriate to use the specification to interpret patent claims. The Federal Circuit is internally conflicted on this critical element of patent claim construction, so much so that its own judges have so opined and commented on a seemingly indistinguishable and "fine line" of demarcation between two different claim construction rules employed by the Federal Circuit, resulting in confusion. The existence of these two different rules is direct evidence of the failure by the Federal Circuit to follow this Court's decision in *Payne v. Tennessee*: to promote the evenhanded, predictable, and consistent development of legal principles.

The Federal Circuit's "sometime" fine line between

"reading a claim in light of the specification"

as opposed to

"reading a limitation into the claim from the specification"

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[5] Unlike the *Festo* petition for *certiorari* granted by this Court earlier this month, the lack of establishment by the Federal Circuit of a clear statement of the law on claim construction in view of the intrinsic evidence creates unpredictability and uncertainty for patent owners and their competitors.

is evidence enough of uneven, unpredictable, and inconsistent development of legal principles.[6]

What is the *even, predictable, consistent difference* between merely reading a claim "in view of the specification" which is deemed permissible[7]; and reading "limitations appearing in the specification . . . into [the] claims", which is not permissible?[8]

One Judge of the Federal Circuit has commented on March 14, 2001 about how confused the situation has become for patent claim construction in light of the specification. According to Judge Dyk,

> [The Federal Circuit] decisions provide inadequate guidance as to when it is appropriate to look to the specification to narrow the claim by interpretation and when it is not appropriate to do so. Until we provide better guidance, I fear that the lower courts and litigants will remain confused. *SciMed Life Sys., Inc. v. Advanced Cardiovascular Sys., Inc.*, 242 F.3d 1337, 1347 (Fed. Cir. 2001) (concurring opinion).

It is no less ironic for this Petitioner that such statement appeared in a precedential opinion, published the day after this case concerning the same legal principle (but decided oppositely) than that which was announced in this case's nonprecedential, unpublished opinion. This Petitioner as a litigant is certainly confused by uneven, unpredictable, inconsistent decision-making by the Federal Circuit.

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[6] *Comark Communications, Inc. v. Harris Corp.*, 156 F.3d 1182, 1186 (Fed. Cir. 1998).

[7] *Markman v. Westview Instruments*, 52 F.3d 967, 979-80 (Fed. Cir. 1995), *aff'd* 517 U.S. 370 (1996)

[8] *Intervet Am., Inc. v. Kee-Vet Lab., Inc.*, 887 F.2d 1050, 1053 (Fed. Cir. 1989).

Several panels[9] of the Federal Circuit have noted the "fine line" identified in *Comark*,[10] but none has offered guidance to help litigants and courts determine where that line is.

The presently "inadequate guidance" identified by Judge Dyk is typified in the unpredictable Federal Circuit case law, which violates this Court's requirements of *Payne v. Tennessee* to promote the evenhanded, predictable, and consistent development of legal principles under *stare decisis*.

One line of Federal Circuit decisions, exemplified by the Federal Circuit panel decision in this case, rely on the seemingly hard-and-fast rule that limitations from the specification can never be read into the claims.[11]

On the other hand, there is a similarly weighty, but contrary, line of Federal Circuit cases that could arguably be said to allow "reading in a limitation from the specification" under the heading of claim construction. With no inconsiderable irony, this Petitioner notes this contrary line of Federal Circuit cases is most recently exemplified by two decisions issued by the Federal Circuit *the day after* its own

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[9] This Petitioner does not challenge the concept of judicial duties via panels of judges (Rule 47.6 (b), App. 15a) but does challenge, *infra*, the inconsistent and unpredictable exercise of such judicial duties by panels which do not promote consistent development of the law.

[10] *See, e.g., Interactive Gift Express, Inc. v. Compuserve Inc.*, 231 F.3d 859, 865-66, (Fed. Cir. 2000); *Sibia Neurosciences, Inc. v. Cadus Pharm. Corp.*, 225 F.3d 1349, 1355, (Fed. Cir. 2000).

[11] *See, e.g., American Permahedge, Inc. v. Barcana, Inc.*, 105 F.3d 1441, 1444 (Fed. Cir. 1997) (cited in the panel decision, App. 5a) (citing *Laitram Corp. v. Cambridge Wire Cloth Co.*, 863 F.2d 855, 865 (Fed. Cir. 1988)); *Comark*, 156 F.3d at 1186 (citing *Sjolund v. Musland*, 847 F.2d 1573, 1581 (Fed. Cir. 1988)); *Electro Med. Sys. S.A. v. Cooper Life Sci., Inc.*, 34 F.3d 1048, 1054 (Fed. Cir. 1994); *Intervet*, 887 F.2d at 1053 (citing *E.I. DuPont de Nemours & Co. v. Phillips Petroleum Co.*, 849 F.2d 1430, 1433 (Fed. Cir. 1988)).

unpublished Federal Circuit panel decision in this case, namely:

> *Network, LLC v. Centraal Corp.*, 242 F.3d 1347 (Fed. Cir. Mar. 14, 2001) (requiring claimed computer network to perform "caching" and "pulling" functions because of description of invention in the specification, *even though claims did not expressly call out those limitations*), and
>
> *SciMed*, 242 F.3d 1337 (where a balloon dilation "catheter," which ordinarily includes both a dual-lumen and a coaxial-lumen configuration, was limited by construction to the coaxial-lumen configuration because of the specification).[12]

Which Federal Circuit panel uses *which* Federal Circuit line of cases on *which* side of the Federal Circuit's

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[12] This practice is further illustrated by the cases relied on by the panel in *SciMed*. *See, e.g., Watts v. XL Sys., Inc.*, 232 F.3d 877, 883 (Fed. Cir. 2000) (limiting the method in which "tapered external threads [are] dimensioned" to the only method set forth in the specification); *Wang Labs., Inc. v. America Online, Inc.*, 197 F.3d 1377, 1383 (Fed. Cir. 1999) ("the only embodiment described in the '669 patent specification is the character-based protocol, and the claims were correctly interpreted as limited thereto"); *Cultor Corp. v. A.E. Staley Mfg. Co.*, 224 F.3d 1328, 1331 (Fed. Cir. 2000) (claim language referred broadly to dissolving polydextrose in water, but written description made clear that water-soluble polydextrose had to be prepared using a citric-acid catalyst); *O.I. Corp. v. Tekmar Co.*, 115 F.3d 1576, 1581 (Fed. Cir. 1997) (claim term "passage" held not to include "smooth-walled, completely cylindrical" passage because of statements in written description); *Toro Co. v. White Consol. Indus., Inc.*, 199 F.3d 1295, 1302 (Fed. Cir. 1999) (claim calling for a cover "including" a restriction ring required permanent attachment of the ring to the cover, in light of specification and drawings, which described *only* permanently attached rings).

sometime "fine line" of distinction between two dramatically different approaches to patent claim construction is wholly unpredictable and inconsistent for actual and potential litigants.

Because this Court via its *Markman v. Westview Instruments* decision invests in the Federal Circuit such unique authority for *de novo* legal review of patent claim construction, the Federal Circuit must be even, predictable, and consistent in the exercise of such responsibilities. When the Federal Circuit itself recognizes this responsibility in the most critical aspect of infringement law -- claim construction -- as a matter for judges alone and yet lets unevenness, inconsistency, and unpredictability reign within its own jurisprudence on patent claim construction in light of the specification and prosecution history, then this Court must intervene.

The Court must intervene on the side of patent claim construction that relies upon intrinsic evidence for interpretation of the claim, even if the claim is narrowed thereby. That intervention by this court would restore this Court's decision in *Markman v. Westview Instruments* to the preeminent authoritative prominence in patent claim construction within the Federal Circuit that such decision deserves.

The *Markman* approach to patent claim construction followed by the *Netword* and *SciMed* panels is far preferable to the one utilized by the Federal Circuit panel in this case. Following the patent claim construction principles of *Netword* and *SciMed* would have yielded a different result in this case. This Petitioner seeks *certiorari* to rectify such unpredictability and inconsistency endemic in the Federal Circuit's actions in claim construction, both for other actual and potential litigants and for itself in this case.

A rule that it is improper to read a limitation from the specification into the claim amounts to a "circular" rule, because it assumes that a claim already has a fixed meaning *before* the specification is consulted. But "[t]he role [of claim

construction] is neither to limit nor to broaden the claims, but to define, as a matter of law, the invention that has been patented." *Netword*, 242 F.3d at 1352. Since the specification "must" "always" be examined for claim construction,[13] it is impossible to determine whether something has been impermissibly "read into" a claim until the meaning of that claim is ascertained.

While there are many Federal Circuit cases that do follow this Court's decision in *Markman v. Westview Instruments*, in holding that *all three* aspects of intrinsic evidence — claims, specification, and prosecution history — must be consulted in order to arrive at a proper construction of a patent claim, the opposing line of Federal Circuit cases impermissibly ignores the specification and the prosecution history. "The claims are directed to the invention that is described in the specification; they do not have meaning removed from the context from which they arose." *Netword*, 242 F.3d at 1352.

The *Netword/SciMed* approach, which looks to the totality of contextual, intrinsic evidence *before* reaching a conclusion about claim scope, avoids any problems of circular reasoning.

The *Netword/SciMed* "holistic" approach, moreover, has the virtue of being consistent with the Patent Act, where the rule applied by the Federal Circuit panel in this case does not. It is significant that Section 112 of the Patent Act is entitled "Specification," and similarly significant that the first paragraph of that section is addressed to the requirements of the "written description of *the invention*, and of *the manner and process of making it*, ..." 35 U.S.C. § 112, ¶ 1 (emphasis added). Taking into account the entire

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[13] *See, e.g., Hockerson-Halberstadt, Inc. v. Avia Group Int'l, Inc.*, 222 F.3d 951, 955, (Fed. Cir. 2000) (quoting *Southwall Techs., Inc. v. Cardinal IG Co.*, 54 F.3d 1570, 1576 (Fed. Cir. 1995) for "must" and *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582, (Fed. Cir. 1996) for "always").

specification in construing claims ensures that the patentee is allowed claims that are no broader than the written description, and are in fact supported by the described "manner and process of making" the invention. *See Netword*, 242 F.3d at 1352 ("neither do the claims enlarge what is patented beyond what the inventor has described as the invention").

In this case, the specification of the '331 patent does emphasize a transformation from the admittedly non-infringing structure seen in Fig. 4 to the structure seen in Fig. 3 though the Federal Circuit panel did not recognize such. Moreover, the specification of the '331 patent does not describe any "manner and process" — other than abrading — for making a bladder using inelastic fabric, thereby demonstrating that the claims' scope cannot reach an unabraded, inelastic fabric bladder.

The Federal Circuit panel's reflexive application of the rule that limitations can never be imported from the specification largely relegated the written description to an irrelevancy, but the Patent Act requires that written description to describe "the invention" – which is the only thing that can be patented. *See, supra,* 35 U.S.C. § 101 ("Inventions Patentable").

The unfortunate result here was that PIPCO obtained an adjudicated patent claim coverage for a product that was not supported by the specification of the '331 patent. The rules for proper claim construction should not allow such a result. The Federal Circuit panel in this case directly conflicts with this Court's requirements in *Payne v. Tennessee* and *Markman v. Westview Instruments.*

II. *Certiorari* Should Be Granted Because Federal Circuit Rules, Which Permit Unpublished, Nonprecedential Opinions, Can Violate the Fifth Amendment's Protection of Due Process of Law

The case below was argued on February 5, 2001 and decided by a Federal Circuit panel on March 13, 2001 using the unpublished, nonprecedential opinion route of Federal Circuit Rule 47.6(b) (App. 15a). To the contrary, the *Network* and *SciMed* Federal Circuit panel decisions were argued before panels which determined to publish their opinions as precedential and thereby and published such opinions a day later than this case.[14]

It is a *total mystery* to this Petitioner how this one case can reach an opposite result from two other cases concurrently before the same Court, where the published articulation of precedential legal principles should control the nonprecedential opinion as well.[15]

It is a *total mystery* how the Federal Circuit can have a set of rules that creates an environment where due process of law can be violated.

The criticism by many commentators leveled at the Federal Circuit's *en banc* decision in *Festo v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.* is not with the action of the Federal

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[14] It is not lost in this Petitioner how inconsistency dwelt within such Panel compositions despite participation in more than one panel by at least one Judge. *See also,* Footnote 17, *infra.*

[15] A nonprecedential opinion does not add "significantly to the body of law". Rule 47.6(b) (App. 15a). Yet when a precedential opinion, indeed two of them, are moving concurrently through the Federal Circuit, one would hope that consistency would occur for those contemporaneous nonprecedential opinions that ostensibly are not adding significantly to the body of law but at least should be made consistent with those precedential opinions that *are* adding significantly to the body of law.

Circuit to make a pan-Federal Circuit rule of law on an aspect of patent claim coverage, but with the pan-Federal Circuit rule so made. This Court has recently granted a Petition for Certiorari from that *en banc* decision.

By contrast, in the matter of patent claim construction, even the Federal Circuit recognizes its sometime "fine line" of distinction between two dramatically different rules. When one of its own Judges comments on confusion of such rules for litigants and district courts, the Federal Circuit needs to act, or be ordered to act[16], to resolve such confusion in a manner consistent with this Court's decisions.

So long as the Federal Circuit panels operate in an environment where nonprecedential decisions are sparse recitations of the facts, the purpose of circulation among the whole court to uncover inconsistency with other Federal Circuit case law is less circumspect, and the unfortunate litigant whose briefs and oral argument are relegated to a "fast track" of unpublished and nonprecedential inconsistency, perhaps in the cause of judicial expediency, will not have received the same due process of law as fellow litigants fortunately chosen for the published, precedential route in the only court available to any litigant for that aspect of law.

In this case, there was no due process of law for this Petitioner to have an unpublished, nonprecedential decision arrive against it within a day of publication of *two* precedential decisions and within three months of *three* nonprecedential decisions (each involving one of the panelists in this case), any one decision of which, if applied in this case, would have yielded the opposite result -- favorable to this Petitioner. Where is the due process of law for this Petitioner when these five contemporaneous Federal

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[16] Only after the denial by the Federal Circuit of the Petition for Rehearing and Rehearing *en banc*, where the matter should have been addressed, does this Petitioner come to this Court for relief.

Circuit decisions were contrary to the result reached in this case?[17]

No amount of explanation of judicial expediency can overcome fundamental unfairness to patent litigants both powerless to pursue their rights in other fora and at the mercy of how attentive their panels of judges are to the body of precedent of this Court and its own Court without the force of their opinions being exposed to the same level of public scrutiny which published, precedential opinions receive.

The Federal Circuit's own words best articulate this Petitioner's argument in a related way:

> We are the court primarily responsible for the state of patent law, and the Supreme Court has pronounced it our duty to 'best implement procedural improvements to promote certainty, consistency, and reviewability to this area of the law.'

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[17] These are the three more recent unpublished Federal Circuit decisions involving claim construction, with each decision involving one of the panelists in this case: (1) *Accuscan, Inc. v. Xerox Corp.*, Nos. 00-1316, -1320, -1406, 2001 WL 599700 (Fed. Cir. May 31, 2001) (nonprecedential) (reporting that certain prosecution history remarks were not limited to any particular claim of the patent in suit and therefore such remarks were presumed to apply to all of the claims.); (2) *Transonic Sys., Inc. v. Non-Invasive Medical Techs. Corp.*, No. 01-1101, 2001 WL 585143 (Fed. Cir. May 29, 2001) (nonprecedential) (stating that one purpose for examining the specification is to determine if the patentee has limited the scope of the claims with the result that an equation was imported from the specification to interpret the word "calculating."); and (3) *Unique Coupons, Inc. v. Northfield Corporation* Nos. 00-1300, -1314, -1315, 2001 WL 665365 (Fed. Cir. June 13, 2001) (nonprecedential) (relying on *Scimed* and stating that certain claims in both patents in suit, while not explicitly identifying the position of the coupon sensor, must be understood to have the sensor between the feed rolls and the positioning rolls, the only location defined throughout the written description.)

Warner-Jenkinson, 520 U.S. at 39 n..8 ...." *Festo v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.* 234 F.3d 558, 595 (Fed. Cir., 2000) (Plager, J., concurring).

This Court should assure that the Federal Circuit implement procedures to promote certainty, consistency, and reviewability, not only for this case but for all cases that fall into the mysterious hole of nonprecedential decisionmaking.

III. *Certiorari* Should Be Granted Because The Public Policy of Establishing the Federal Circuit as the Sole Court of Appeals for Patent Matters Fails When a Panel of That Court Fails to Address All of the Issues on Appeal.

When there is no place else to go and the place one must go does not address arguments made of right, then what public policy is served?

While the Federal Circuit panel did consider other aspects of this Petitioner's challenges to the district court's willfulness and enhancement determinations, the Federal Circuit panel did not address the legal erroneousness of the jury charge.

Moreover, while the Federal Circuit panel did discuss the lost-profits award (misstating the law until a post-decision correction was made to remove a "no" from a key sentence), the Federal Circuit panel did not address the legal erroneousness of the jury charge.

These appeal arguments were not theoretical; they represented several million dollars of damages assessed against this Petitioner as well as loss of reputation resulting from being held as a willful infringer from which enhanced lost profits could be recovered.

The purpose of the Federal Circuit in patent law can not be overstated. In a competitive environment where millions of dollars are often at stake in a matter of complex technology before a district court judge or a jury as the trier of fact, at best, an accused infringer may be forced to merely preserve its exceptions for proper legal review on appeal in order to find equal justice.

When that appeal comes before the *only tribunal available*, and that tribunal does not address such important moments of law in a jury trial as instructions to the jury, then there is no equal justice under law.

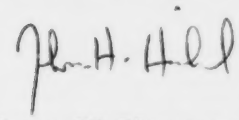
This Petitioner briefed the Federal Circuit that these willful infringement and lost-profits jury instructions were legally erroneous. Yet nothing in the unpublished, nonprecedential decision of March 13, 2001 seemingly addresses these arguments. This Petitioner has not yet had resolution of these arguments, properly preserved for appeal, despite briefing, arguing, and petitioning for rehearing before the Federal Circuit. It should not be a matter of discretion for the Federal Circuit panel to pick and choose which issues to address; the erroneous jury instructions constituted two of the three major arguments briefed and outlined in argument by this Petitioner at the Federal Circuit below.

When these erroneous jury instructions are reviewed, it is clear that a new trial on damages is required. The willfulness instruction given by the district court was erroneous, and prejudicially so. The jury was also told that PIPCO was entitled to recover lost profits if the jury found that the only two suppliers in the market for the bladders were PIPCO and this Petitioner. This jury instruction omitted *entirely* the required second step of the lost-profits analysis, and made noninfringing alternatives legally irrelevant, in violation of binding precedent of *Grain Processing Corp. v. American Maize-Prod. Co.*, 185 F.3d 1341 (Fed. Cir. 1999).

CONCLUSION

For the reasons set forth above, the petition should be granted.

Respectfully submitted,



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APPENDIX

NOTE: Pursuant to Fed. Cir., R. 47.6, this disposition is not citable as precedent. It is a public record. This disposition will appear in tables published periodically.

United States Court of Appeals for the Federal Circuit

00-1271, -1299

POLYMER INDUSTRIAL PRODUCTS COMPANY and POLYMER ENTERPRISES CORPORATION,

Plaintiffs/Counterclaim Defendants Cross Appellants,

and

POLYMER ENTERPRISES, INC., and SPECIALTY TIRES OF AMERICA, INC.,

Counterclaim Defendants-Appellees,

v.

BRIDGESTONE/FIRESTONE, INC.,

Defendant-Counterclaimant-Appellant.

DECIDED: March 13, 2001

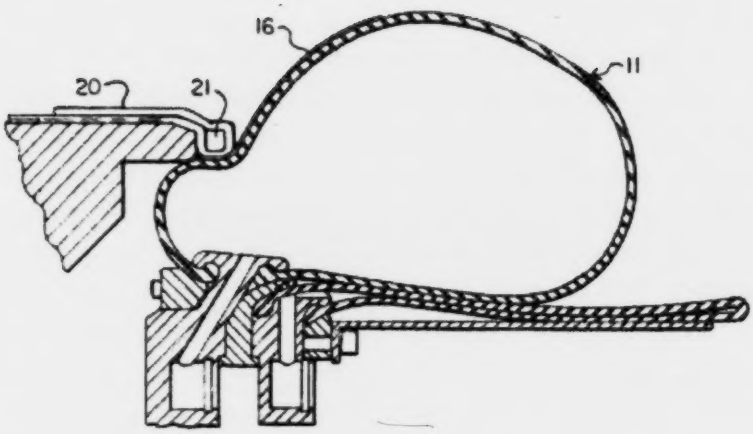
Before CLEVENGER, SCHALL, and BRYSON, Circuit Judges.

CLEVENGER, Circuit Judge.

Bridgestone/Firestone, Inc. ("Bridgestone") challenges the adverse finding of willful infringement by a jury and the subsequent award of enhanced damages and attorney fees by the United States District Court for the Northern District of Ohio in an infringement suit brought by Polymer Industrial Products Co., Polymer Enterprises Corp., Polymer Enterprises, Inc., and Specialty Tires of America, Inc. (collectively, "PIPCO"). Bridgestone also alleges that the district court erred in its claim construction and that the jury's finding of nonderivation was unsupported by substantial evidence. In its cross-appeal, PIPCO challenges the district court's refusal to award miscellaneous fees and costs. Because we conclude that the district court's claim construction was correct, that the jury's finding of willful infringement and nonderivation was supported by substantial evidence, and that the district court's selective awarding of various damages and fees was not an abuse of discretion, we affirm.

I

PIPCO sued Bridgestone for infringing U.S. Patent No. 4,381,331 ("the '331 patent"), directed at an improved turn-over bladder. Turn-over bladders have long been used in the manufacturing of rubber tires to "turn" a tire ply (a layer of uncured rubber) "over" a tire bead (a metal ring in the tire). The following is a cross-sectional view of the improved bladder as depicted in the '331 patent:



In operation, the bladder (11) inflates like a balloon and rolls the ply (20) up and over the tire bead (21). After the ply is turned over, the bladder deflates. To prevent the ply from being pulled back as the bladder deflates and thereby causing an incomplete turn-over, the bladder must be able to detach easily from, or "release," the tire ply at the location on the bladder which physically contacts the ply (16).

Traditionally, a method of ensuring release involved painting the rubber surface of the bladder with a chlorine solution. However, this method had negative side effects, such as cracking and premature aging of the bladder. The '331 patent is directed at a bladder with exposed fabric cords on the part of the surface that comes into contact with the uncured rubber tire ply. The fabric patch tended to stick less to the uncured rubber ply than the rubber surface of a traditional turn-over bladder.

The '331 patent has six claims. Those asserted in this suit were product claims 1, 3, and 4. Claims 5 and 6 are process claims, but were not asserted. Since claim 3 incorporates claim 1 by reference and claim 4 likewise incorporates claim 3, then independent claim 1 becomes the key claim in this appeal, and reads as follows:

> A ply turn-over bladder formed of a rubbery polymer at least a portion of its outer surface having reduced adhesion to unvulcanized rubbery polymers, said portion comprising a fabric layer of spaced cords calendered with a coating of unvulcanized uncured rubbery polymer partially embedded in the rubbery polymer surface, the spaces between the cords being free of said polymer at said surface so that such cords project above said surface.

At trial, the district court ruled on the issues of claim construction from the bench and submitted the issues of fact-finding to the jury. The jury returned a verdict of infringement in favor of PIPCO, finding damages in the amount of $2,512,730. The jury also returned a finding of willful infringement. Immediately after the jury returned its verdict, the district court entered a contrary finding of nonwillfulness. However, the district court later realized that it had mistaken the jury's verdict as being merely advisory. Consequently, it vacated its own finding of nonwillfulness in a subsequent order and, after finding that the jury's verdict was supported by the evidence, reinstated the verdict of willfulness. The district court also awarded enhanced damages and attorney fees to PIPCO, and entered final judgment in the amount of $7,366,784.99.

II

A

Bridgestone contends that the district court erred in refusing to construe claim 1 to include an "abrading" step as an essential limitation. For the following reasons, we hold that the district court properly declined to construe claim 1 so as to include an "abrading" limitation.

Claim construction is a question of law, which we review de novo. Markman v. Westview Instruments, Inc., 52 F.3d 967, 979, 34 USPQ2d 1321, 1329 (Fed. Cir. 1995) (en banc), aff'd, 517 U.S. 370 (1996). As always, the starting point of claim construction is the claim language itself. See Johnson Worldwide Assocs., Inc. v. Zebco Corp., 175 F.3d 985, 989, 50 USPQ2d 1607, 1610 (Fed. Cir. 1999). Here, claim 1 simply makes no mention of abrading. To be sure, abrading is a clear limitation in process claim 5. But there is simply no textual support in product claim 1 for an abrading limitation.

We may look to the written description to define a term in the claims, Renishaw PLC v. Marposs Societa' Per Azioni, 158 F.3d 1243, 1248, 48 USPQ2d 1117, 1120 (Fed. Cir. 1998), but Bridgestone makes no attempt to identify specific terms in need of definition. Instead, Bridgestone simply contends that "the correct construction of the claims-in-suit must exclude bladders such as represented by the nonabraded surface depicted in Figure 4 of the '331 patent." By asserting that its products are comparable to the intermediate embodiment in Fig. 4, Bridgestone seeks to avoid infringement entirely. Contrary to Bridgestone's analysis, however, the scope of protection is of course defined by the claims, not by embodiments in the written description. See American Permahedge, Inc. v. Barcana, Inc., 105 F.3d 1441, 1444, 41 USPQ2d 1614, 1617 (Fed. Cir. 1997). It may very well be true, as Bridgestone urges, that Fig. 4 of the '331 patent is merely an intermediate stage of the claimed product. But to conclude from this that abrading is required by claim 1 would amount to an impermissible importation of a limitation found in the written description into the claim. See Renishaw, 158 F.3d at 1248, 48 USPQ2d at 1120. Furthermore, although there is no question that the written description discloses a process that involves abrading, it is unclear whether the relevant statements should refer to all of the claims, or to only the process claims. Moreover, the written description alludes to a way of producing the

claimed invention without abrading--albeit admittedly in a context in which elastic cords, as opposed to inelastic cords, are used. '331 patent, col. 3, ll. 1-4. Nevertheless, there is no question that support for at least the general concept of nonabraded bladders can be found in the written description.

Despite Bridgestone's attempt to persuade us otherwise, the prosecution history is inconclusive at best on whether abrading is required by claim 1. Bridgestone points to statements by the inventor that it was "necessary to take abrasive action against the surface of the cured part with sandpaper and/or a wire brush by manual or power methods." However, it is unclear whether these statements refer to product claim 1 or process claim 5. Bridgestone points to other statements from the prosecution history allegedly supporting the position that the claims require "abrading . . . to remove excess polymer . . . and to leave the upper portion of [the] cords clear of polymer." However, when viewed in context, we find that those statements were simply made to distinguish prior art processes in which the inner surfaces of the cord were abraded.

Based on the foregoing analysis, we conclude that it would be inappropriate to read an "abrading" limitation into claim 1. Such a claim construction would improperly and unnecessarily read a limitation from the written description into the claim.

B

Given that we affirm the district court's claim construction, the question becomes whether or not the jury's verdict of infringement can be supported by substantial evidence. See Texas Instruments Inc. v. Cypress Semiconductor Corp., 90 F.3d 1558, 1563, 39 USPQ2d 1492, 1496 (Fed. Cir. 1996) ("We review the jury's resolution of all factual disputes for substantial evidence.").

The evidence before the jury included micrographs of Bridgestone's new and unused bladders, which plainly showed at least some fiber cord projecting above the surface of the bladder. A micrograph of another Bridgestone bladder revealed similar results. The jury also heard testimony from PIPCO's expert witness stating that the filaments and cords in Bridgestone's bladders were visible and bare. There was also testimony from another PIPCO bladder expert demonstrating how the Bridgestone bladders infringed the '331 patent. Finally, PIPCO's expert presented an Energy Dispersive Spectroscopy map, a sort of chemical "fingerprint," which revealed that the "chemical release" formula that Bridgestone painted over its bladders' surfaces did not bond to the nylon cords, leaving them uncovered and exposed. We discern no error in the district court's jury instructions, and conclude that the jury's verdict was supported by substantial evidence.

C

As a defense, Bridgestone asserts that claim 1 is invalid for being indefinite pursuant to 35 U.S.C. § 112, ¶ 2. Whether the claim definiteness requirement was met is freely reviewable on appeal as a question of law. Orthokinetics, Inc. v. Safety Travel Chairs, Inc., 806 F.2d 1565, 1576, 1 USPQ2d 1081, 1088 (Fed. Cir. 1986). Claim definiteness involves a determination of whether those skilled in the art would understand what is being claimed. Amgen, Inc. v. Chugai Pharm. Co., Ltd., 927 F.2d 1200, 1217, 18 USPQ2d 1016, 1030 (Fed. Cir. 1991). Also, "[t]he amount of detail required to be included in claims depends on the particular invention and the prior art, and is not to be viewed in the abstract but in conjunction with whether the specification is in compliance with the first paragraph of section 112." Shatterproof Glass Corp. v. Libbey-Owens Ford Co., 758 F.2d 613, 624, 225 USPQ 634, 641 (Fed. Cir. 1985).

Stripped to its core, Bridgestone's argument is that one of ordinary skill in the art would not know precisely "how much exposed, projecting cord would be necessary to meet the claim limitations." Bridgestone misses the point. So long as the fabric cords project enough above the bladder surface to reduce adhesion to uncured rubber, an accused bladder will fall within the scope of the claim. Since the claim language makes no attempt to quantify the reduction in adhesion, quantification of the amount of cord that projects above the rubber surface of the bladder is not required, either for infringement or validity analysis. "If the claims . . . reasonably apprise those skilled in the art both of the utilization and scope of the invention, and if the language is as precise as the subject matter permits, the courts can demand no more." Id. (quoting Georgia-Pacific Corp. v. United States Plywood Corp., 258 F.2d 124, 136 (2d Cir.), cert. denied, 358 U.S. 884 (1958)). Hence, there is no basis for finding the '331 patent invalid for lack of definiteness.

D

Bridgestone also contends that the '331 patent is invalid pursuant to 35 U.S.C. § 102(f) because the invention was derived from another. The ultimate question of whether a patentee derived an invention from another is one of fact. Price v. Symsek, 988 F.2d 1187, 1190, 26 USPQ2d 1031, 1033 (Fed. Cir. 1993). The jury returned a verdict of nonderivation against Bridgestone. Hence, the question is whether this verdict can be supported by substantial evidence. Jurgens v. McKasy, 927 F.2d 1552, 1557, 18 USPQ2d 1031, 1035 (Fed. Cir. 1991).

Bridgestone maintains that the "invention of the '331 patent was derived from Uniroyal when PIPCO obtained from Uniroyal a commercial bladder that was worn so that the fabric layer was exposed." However, it failed to present evidence of any Uniroyal employees conceiving of the

invention or of any such conception being communicated to the patentee. In fact, the worn bladder referred to by Bridgestone turned out to be one of PIPCO's own bladders that was simply used by Uniroyal but returned to PIPCO by agreement. A statement by the inventor's co-worker that the invention "worked and worked well" does not in any way support a conception on Uniroyal's part. Finally, the industry viewed fabric in the release area as a danger to be avoided because of worry that cord particles might contaminate the tires. Taking into account that the record provides no basis for finding the district court's jury instruction regarding nonderivation to be improper, we hold that the jury's finding of nonderivation was supported by substantial evidence.

E

Although the district court initially mistook the jury's verdict of willfulness as merely advisory, it later corrected itself, vacated its contrary finding of nonwillfulness, and properly reinstated the jury verdict of willfulness as "supportable on the evidence." Whether infringement is willful is a question of fact, and hence, we review a jury's finding of willful infringement to determine if there is substantial evidence to support that finding. Comark Communications, Inc. v. Harris Corp., 156 F.3d 1182, 1190, 48 USPQ2d 1001, 1008 (Fed. Cir. 1998).

The district court carefully assessed the evidence that supports a verdict of willfulness. We see no flaw in the district court's analysis, and we therefore conclude that the district court was correct in finding that the jury verdict of willful infringement was "supportable on the evidence."

F

Bridgestone contends that the amount of damages awarded by the jury was in error due to the district court's

improper lost profits instruction. We uphold a jury's damages award unless it is "'grossly excessive or monstrous,' clearly not supported by evidence, or based only on speculation or guesswork." Oiness v. Walgreen Co., 88 F.3d 1025, 1031, 39 USPQ2d 1304, 1308 (Fed. Cir. 1996).

With regard to the allegations of an erroneous jury instruction, Bridgestone argues that "if PIPCO sought to prove that PIPCO and Firestone were the only two suppliers, PIPCO still needed to prove that there were no noninfringing alternatives available from Firestone." Bridgestone misstates the law. The very case it cites, Grain Processing Corp. v. American Maize-Products Co., 185 F.3d 1341, 1349, 51 USPQ2d 1556, 1562 (Fed. Cir. 1999), indicates that upon PIPCO's initial "but for" showing, the burden shifts to Bridgestone to prove that there were no noninfringing alternatives available to PIPCO's customers. In Grain Processing, we stated that "the patent owner has an initial burden to show a reasonable probability that he would have made the asserted sales 'but for' the infringement." However, "[o]nce the patent owner establishes a reasonable probability of 'but for' causation, the burden then shifts to the accused infringer to show that the patent owner's 'but for' causation claim is unreasonable for some or all of the lost sales." Id. (internal citations and brackets omitted). The patent owner's initial burden can be met by showing the existence of a two-supplier market. See SmithKline Diagnostics, Inc. v. Helena Labs. Corp., 926 F.2d 1161, 1165, 17 USPQ2d 1922, 1926 (Fed. Cir. 1991) (finding that a two-supplier market would support an inference that a patent owner would have made the sales if the defendant had not sold its infringing product).

The jury's damages award based on lost profits, moreover, is supported by substantial evidence. Among the pieces of evidence before the jury were admissions by Bridgestone's sales manager that there were "[o]nly two major players, that I'm aware of, in the bladder business, and

that's Polymer and Firestone," testimony from another Bridgestone witness admitting that he sent letters to customers during a 1994 Bridgestone strike suggesting that they use PIPCO bladders as an alternative, evidence that bladders claimed to be noninfringing substitutes by Bridgestone were not acceptable based on poor reception in the customer market, evidence that other supposed substitutes were not interchangeable with PIPCO bladders, and documents from the president of PIPCO stating that conditions were unfavorable to raise prices because of Bridgestone's undercutting of PIPCO's prices. Finally, considering that the jury already reduced PIPCO's requested damages by over $680,000, we do not find the jury's damages award "grossly excessive or monstrous."

G

Bridgestone challenges the district court's decision to award enhanced damages and attorney fees to PIPCO. The patent statute provides that in a patent infringement case, a trial court "may increase the damages up to three times the amount found or assessed." 35 U.S.C. § 284 (1994). A trial court also has the authority to award attorney fees to the prevailing party "in exceptional cases." 35 U.S.C. § 285 (1994). A decision to enhance damages or to award attorney fees is committed to the discretion of the trial judge, and will not be overturned absent a clear showing of abuse of discretion. See Delta-X Corp. v. Baker Hughes Prod. Tools, Inc., 984 F.2d 410, 413, 25 USPQ2d 1447, 1449 (Fed. Cir. 1993).

We have held that "[a]n express finding of willful infringement is a sufficient basis for classifying a case as 'exceptional,' and indeed, when a trial court denies attorney fees in spite of a finding of willful infringement, the court must explain why the case is not 'exceptional' within the meaning of the statute." Modine Mfg. Co. v. Allen Group, Inc., 917 F.2d 538, 543, 16 USPQ2d 1622, 1626 (Fed. Cir.

1990). Furthermore, after reviewing the order in which the district court enhanced damages based on the jury's recommendation of two times the damage verdict, we do not discern any abuse of the district court's discretion.

III

In its cross-appeal, PIPCO protests the failure of the district court to award various miscellaneous fees and costs. Because of the discretionary nature of these awards, we will affirm the district court's decision so long as it remains unestablished that the court committed clear error in its factual findings, errors in its conclusions of law, or clear errors in its judgment. PPG Indus., Inc. v. Celanese Polymer Specialties Co., 840 F.2d 1565, 1572, 6 USPQ2d 1010, 1016 (Fed. Cir. 1988). Here, the district court did not make any explicit factual findings or articulate any conclusions of law. Hence, we must determine, in light of the entire record, whether its denial of the various miscellaneous fees and costs was a clear error in judgment, a quality requiring us to "come close to finding that the trial court had taken leave of its senses." See Friendly, Indiscretion About Discretion, 31 Emory L. J. 747, 763 (1982), quoted in PPG Industries, 840 F.2d at 1572, 6 USPQ2d at 1016.

The question of whether PIPCO should be awarded fees for, inter alia, its in-house counsel's time was fully briefed to the district court. Bridgestone's reasons for opposing the miscellaneous fees and costs sought by PIPCO, as advanced to the district court, provide ample support for the district court's denial of those fees and costs, and explain the basis for the court's discretionary decision. We thus conclude that the district court did not commit clear error in its judgment in denying recovery.

For the reasons stated above, we affirm the final judgment entered by the district court against Bridgestone and its award of damages to PIPCO.

United States Court of Appeals for the Federal Circuit

00-1271, -1299

POLYMER INDUSTRIAL PRODUCTS COMPANY and
POLYMER ENTERPRISES CORPORATION,

Plaintiffs/Counterclaim Defendants-
Cross Appellants,

and

POLYMER ENTERPRISES, INC., and
SPECIALTY TIRES OF AMERICA, INC.,

Counterclaim Defendants-Appellees,

v.

BRIDGESTONE/FIRESTONE, INC.,

Defendant-Counterclaimant-
Appellant.

ORDER

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

ORDER

A combined petition for panel rehearing and for rehearing en banc having been filed by the APPELLANT, and the petition for rehearing having been referred to the panel that hear the appeal, and thereafter the petition for rehearing en banc having been referred to the circuit judges who are in regular active service,

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for panel rehearing be, and the same hereby is, DENIED and it is further

ORDERED that the petition for rehearing en banc, be, and the same hereby is, DENIED.

The mandate of the court will issue on April 25, 2001.

Circuit Judge Dyk did not participate in the vote.

FOR THE COURT,

s/ Jan Horbaly
Jan Horbaly
Clerk

Dated: April 18, 2001

cc: Regan J. Fay
Joseph Decker

POLYMER INDUSTRIAL V BRIDGESTONE, 00-1271, 1299
(DCT - 95-CV-43)

NOTE: Pursuant to Fed. Cir., R. 47.6, this disposition is not citable as precedent. It is a public record.

FEDERAL CIRCUIT RULE

47.6 Opinion and Order of the Court

(b) Nonprecedential Opinion or Order. An opinion or order which is designated as not to be cited as precedent is one unanimously determined by the panel issuing it as not adding significantly to the body of law. Any opinion or order so designated must not be employed or cited as precedent. This rule does not preclude assert of claim preclusion, issue preclusion, judicial estoppel, law of the case, or the like based on a decision of the court so designated as nonprecedential.

Fig. 1.

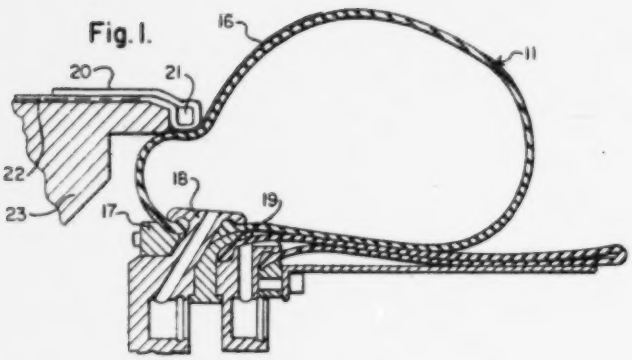


Fig. 2.

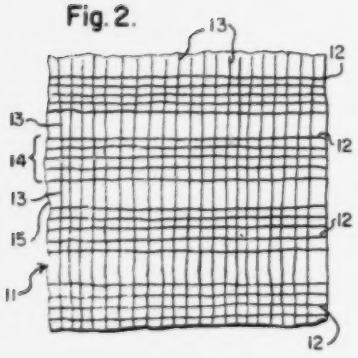


Fig. 3.

Fig. 4.

Supreme Court, U.S.
FILED
AUG

No. 01-1

IN THE

Supreme Court of the United States

BRIDGESTONE/FIRESTONE, INC.,

Petitioner,

v.

POLYMER INDUSTRIAL PRODUCTS COMPANY
and POLYMER ENTERPRISES CORPORATION,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF IN OPPOSITION

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STATEMENT PURSUANT TO RULE 29.6

Respondents Polymer Industrial Products Company and Polymer Enterprises Corp. are wholly owned by Polymer Enterprises, Inc.

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INTRODUCTION

Neither of Firestone's principal issues was preserved properly in the proceedings below. Firestone's petition should be denied on that ground alone.

First, although Firestone complains about the claim construction, Firestone *expressly agreed* to the claim construction determined by the District Court. Furthermore, that claim construction was embodied in a jury instruction to which Firestone did not object. Although it need not have reached the issue, the Federal Circuit nevertheless reviewed the claim construction *de novo* and affirmed it as correct.

Second, although Firestone seeks a new trial because of a supposedly erroneous jury instruction on "willfulness," the alleged objectionable language in the instruction was urged upon the District Court by Firestone itself, and thus, if erroneous at all, would be "invited error" upon which Firestone cannot obtain reversal.

ISSUES OF CLAIM CONSTRUCTION WERE NOT PRESERVED

Firestone argues that if the '331 patent was interpreted under a supposedly "conflicting" line of Federal Circuit cases, the claim construction "would have yielded a different result in this case." Pet. at 13. It contends that "abrading" references in the specification of the '331 patent should limit claim 1 to an abraded bladder. *Id.* at 5-6.

After a two week jury trial and an adverse verdict, in its JMOL motion for the first time Firestone argued that claim 1 of the '331 patent included an "abrading step" as

"an essential limitation," and that the District Court erred in its claim construction. "Abrading" is the removal of excess rubber. Firestone argues here that claim 1 "required the effect of abrading. . . ." Pet. at 5-6. However, Firestone advocated a different claim construction at trial — one that did not include abrading as an element of claim 1; it sought a new construction only after it lost. In its Petition, Firestone acknowledges the lateness of its "abrading" argument by stating that it asserted this position "in its post-trial and appellate argument," tacitly admitting that it was not asserted at trial, which it was not. Pet. at 5.

The District Court construed the claim on cross-motions for summary judgment: "[n]either the word abrasion, nor the concept, appears in the language of claim 1. . . . Abrasion is not an element of claim 1." A7084. Firestone *agreed* with that claim construction, stating in its March 1997 Objections in Part to the denial of its summary judgment motion that "abrasion is not necessary under claim 1." A7105. Moreover, Firestone did *not* object to the jury instruction construing the claim, which stated "Claim 1 . . . does not include (1) abrasion of the rubber coating. . . ." A3301.[1]

After it lost at trial, however, Firestone took the position in its post trial and appellate brief and at oral argument on appeal that abrasion *was* a required element of claim 1. *See* BFI Fed. Cir. Brf. at 24. In PIPCO's Federal Circuit Opening Brief at 11, PIPCO raised Firestone's waiver of its "abrading" claim construction argument.

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1. Firestone argued for the first time in its JMOL Motion that "the jury should have been instructed that abrading was an element of the claims." A6664.

The tactic of changing position regarding claim construction was *admonished strongly* by the Federal Circuit in *Key Pharmaceuticals v. Hercon Laboratories Corp.*, 161 F.3d 709 (Fed. Cir. 1998): "The impropriety of asserting a position which the trial court adopts and then complaining about it on appeal should be obvious on its face, and litigants hardly need warning not to engage in such conduct." *Id.* at 715. The *Key Pharmaceuticals* court stated that the Federal Circuit would "publicly condemn this behavior." *Id.* at 716. Unlike the appellant in *Key Pharmaceuticals*, Firestone cannot claim it had no notice of the Federal Circuit's condemnation — one of the same attorneys who appeared for the admonished appellant in *Key Pharmaceuticals*, Mr. Castinias, also appeared for Firestone in the Federal Circuit Court of Appeals, employing the same tactics denounced in *Key Pharmaceuticals*.

Firestone's about-face from its "abrading is not necessary" statement was so complete that in its appellate brief it argued that abrading was actually the "basic teaching" of the '331 patent! BFI Fed. Cir. Brf. at 24. This showed unabashed temerity, which is now compounded by Firestone's Petition for Certiorari on this issue. It is not legitimate advocacy.[2]

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2. In rejecting Firestone's construction, the Federal Circuit held that "there is simply no textual support in product claim 1 for an abrading limitation." App. 5a. Further, as was obvious at oral argument in the Federal Circuit, Firestone's empty assertion that abrading was the "only way" to make a bladder with projecting fabric cord (made again here at page 6 of the Petition) was belied not only by the experts at trial, but also by Firestone's own internal memo, written by Firestone's own patent attorney. The memo described a method of keeping excess rubber from "oozing" over the cords, thus making abrading unnecessary. A6180.

Indeed, Firestone was so satisfied with the District Court's claim construction that Firestone argued if summary judgment were not granted to Firestone, *PIPCO* would "seek reversal of the claim construction by the Federal Circuit" and "a *second* trial would be necessary," thus creating a "waste of judicial resources." A7133. Instead, it is Firestone which asked the Federal Circuit, and now asks this Court, to waste judicial resources by undoing six years of litigation and the work of the trial judge, an eight member jury, PIPCO, its management, its employees and its attorneys, because it lost on the claim construction it advocated and embraced, and it now wants a second opportunity to try a different claim construction. Firestone's position is frivolous. This Court should not, by granting certiorari, condone Firestone's conduct.

Firestone also challenges the jury's factual finding that the accused bladders met all the claim elements and had the structure depicted in Figure 3 of the patent. Firestone argues that if the "non-covered" Figure 4 (an illustration of a bladder in the intermediate stage of *manufacturing*, prior to abrading) in the specification was considered, there would have been a "non-infringement finding as a matter of law" because "the accused product *resembled*" Figure 4. Pet. at 5 (emphasis added). However, there was substantial, detailed and scientific evidence, some of which was summarized by the Federal Circuit (App. 7a), supporting the finding that the accused product had projecting, spaced, partially embedded fabric cord and met all the elements of claims 1, 3 and 4. The Federal Circuit correctly perceived Firestone's "Figure 4" argument as just another way of contending that an infringing product must be abraded.

Therefore, because Firestone agreed with the District Court's claim construction which did not require abrading, and because it failed to object to the jury instruction which embodied that claim construction, the claim construction issue has not been preserved for consideration by this Court. Indeed, the Federal Circuit need not have considered the issue at all — it should have strongly admonished Firestone for changing its position and raising the issue as the centerpiece of its appeal.

Moreover, Firestone's conclusory Petition does not demonstrate that the Federal Circuit is "internally conflicted" or that there is any "mysterious hole" in unreported decisions, much less a conflict or "hole" that would have affected the claim construction in this case or denied Firestone equal protection. The "arguably" "contrary line" of cases it cites (Pet. at 11-12) is consistent with the instant decision and the cases are readily distinguishable from the facts here.

Unlike the specification in the '331 patent, in *SciMed Life Systems, Inc. v. Advanced Cardiovascular Systems, Inc.*, 242 F.3d 1337 (Fed. Cir. 2001), the patent specification *expressly limited all embodiments* of the claimed invention to a coaxial structure in language that the Federal Circuit found to be "broad and unequivocal." *Id.* at 1344. And unlike claim 1 of the '331 patent, which did not mention abrading at all, in *Netword, LLC v. Centraal Corp.*, 242 F.3d 1347 (Fed. Cir. 2001), the scope and meaning of the term "local server computer" in claim 1 of the patent was further defined by the specification, and by statements made during the prosecution history, as an "intermediary computer" that caches. *Id.* at 1353.

Here, in contrast, the Federal Circuit started with the claim language and noted that "claim 1 simply makes no mention of abrading." App. 5a. The Panel examined the specification. It noted that Firestone "makes no attempt to identify specific terms in need of definition." *Id.* The Panel observed that although the specification described abrading as part of the manufacturing process, "it is unclear whether the relevant statements should refer to all of the claims, or only to the process claims." *Id.* Finding the prosecution history as "inconclusive at best," the Federal Circuit concluded that "it would be inappropriate to read an 'abrading' limitation into claim 1. Such a claim construction would improperly and unnecessarily read a limitation from the written description into the claim." *Id.* That holding is completely consistent with the supposed "contrary line" of cases cited by Firestone.

FIRESTONE'S "INVITED ERROR" IN ITS JURY INSTRUCTION LANGUAGE ON WILLFULNESS IS NOT GROUNDS FOR GRANTING ITS PETITION BASED ON DENIAL OF "EQUAL JUSTICE;" THE LOST PROFITS INSTRUCTION WAS REVIEWED.

Firestone argues that the jury instruction on willfulness was in error because it contained an "open-ended list" of factors such as "prolonging litigation," "bad faith" and "litigation misconduct" which "convoluted the law of willfulness with the law of damages-enhancement." *See* Pet. at 6; BFI Fed. Cir. Br. at 56-57. However, the challenged portions of the instruction were from the very language additions *Firestone offered* regarding willfulness. A3398-3400. Firestone failed to preserve this argument and, if the instruction was erroneous at all, it was error invited by Firestone. Thus, this argument too is not properly before this Court.

Firestone sought a new trial on the ground that the willfulness instruction allowed the jury to consider such factors as whether Firestone prolonged the litigation rather than working towards a resolution, and whether Firestone was guilty of "bad faith" behavior. BFI Br. at 56. But this language was part of *Firestone's* proposed instruction, *not PIPCO's*. A3398-3400. In its "Comments" to Plaintiff's Instruction No. 49, Firestone "proposes some additions" to PIPCO's instruction. A3398. Firestone added the following:

> Finally, you may consider whether Firestone unnecessarily prolonged this litigation, and placed obstacles in the way of PIPCO rather than working towards a resolution. In this regard, you may consider whether Firestone is guilty of bad faith behavior in their defense of this litigation. If you find that such behavior occurred, it also supports a finding of willfulness.

A3400. Firestone cited no less than *fourteen cases* in support of its proposed jury instruction language. *Id.* at A3400-3401. The trial court included Firestone's additions *verbatim* in the jury charge. A1014.

Thus, it was Firestone which urged that the jury be instructed that willfulness could involve "prolonging litigation" and "bad faith" in defending the litigation. Any asserted error therefore would be "invited error." *Weinar v. Rollform, Inc.*, 744 F.2d 797, 809 (Fed. Cir. 1984) ("if error had occurred, it would have been 'invited error' and not subject to consideration on appeal"). It is frivolous for Firestone to seek certiorari, and a new trial, based on its own jury instruction language. Although it did not refer to the willfulness instruction specifically, the Federal Circuit

clearly reviewed the District Court's willfulness analysis. App. 9a. Firestone was not entitled to have its own jury instruction language form the basis for a new trial, nor can it now complain credibly that the supposed failure to address this argument denied it "equal justice under law." *Cf.* Pet. at 20.

Finally, it is difficult to fathom why Firestone would even attempt to argue that it was denied "equal justice" because "the Federal Circuit did not address the legal erroneousness of the [lost profits] jury charge." Pet. at 19. The Federal Circuit devoted almost a page of its opinion to analyzing the lost profits instruction. App. 10a. Firestone therefore was not denied "equal justice." Moreover, the Federal Circuit's analysis of the instruction was thorough and correct. The detailed lost profits instruction was directly based on caselaw regarding two supplier markets, and it referenced "but for" causation and Firestone's burden to prove the existence of "non-infringing alternatives." In fact, the Federal Circuit admonished Firestone for "misstat[ing] the law" of lost profits. App. 10a.

CONCLUSION

For the foregoing reasons, Respondents Polymer Industrial Products Company and Polymer Enterprises Corp. respectfully request that the Court deny the Petition for Certiorari by Bridgestone/Firestone, Inc.

Respectfully submitted,

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(3)

No. 01-1

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IN THE

Supreme Court of the United States

BRIDGESTONE/FIRESTONE, INC.,

Petitioner,

v.

POLYMER INDUSTRIAL PRODUCTS COMPANY
and POLYMER ENTERPRISES CORPORATION,

Respondents.

Petition for Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

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REPLY TO BRIEF IN OPPOSITION

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REASON FOR REPLY

Pursuant to Supreme Court Rule 15. 6., this Petitioner files a Reply Brief addressed to new points raised by the Brief in Opposition.

The Brief in Opposition challenges the right of this Petitioner to seek a Writ of Certiorari with this Court, asserting that this Petitioner did not preserve the issues at the courts below. That challenge misidentifies this Petitioner's conduct at the lower courts.

This Petitioner briefed the issues of claim construction to the trial court in Petitioner's Motion for Judgment as a Matter of Law ("JMOL") following the jury verdict. This Petitioner did object at trial to the Willfulness instruction given to the jury. This Petitioner did object at trial to the Lost Profits Damages instruction given to the jury.

Claim construction is matter of law, reviewed *de novo* by the United States Court of Appeals for the Federal Circuit ("Federal Circuit").

The legal correctness of the various factors to be included in the Willfulness instruction was challenged at trial and briefed on appeal.

The legal correctness of a Lost Profits Damages instruction was reviewable, *de novo*, by the Federal Circuit. But the Federal Circuit did not address the legal erroneousness of the trial court's jury instruction, only the burdens of proof the respective litigants have as to the evidence considered under that jury instruction.

PARTIES TO THE PROCEEDING

Petitioner, Bridgestone/Firestone, Inc., has a parent company, Bridgestone Corporation of Tokyo, Japan.

Bridgestone/Firestone, Inc. does not issue shares to the public and is wholly owned by Bridgestone Corporation. Bridgestone Corporation issues shares to the public. There are no other subsidiaries or affiliates of either Bridgestone/Firestone, Inc. or Bridgestone Corporation that have issued shares to the public.

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REPLY 1

I. *Certiorari* Should Be Granted Because Claim Construction is Reviewed *de novo* by the Federal Circuit and this Petitioner Preserved Its Appeal to that Court. 1

II. *Certiorari* Should Be Granted Because Objections to Erroneous Jury Instructions were Preserved for Appeal But Not Addressed by the Federal Circuit, the Only Available Forum 3

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REPLY

I. *Certiorari* Should Be Granted Because Claim Construction is Reviewed *de novo* by the Federal Circuit and this Petitioner Preserved Its Appeal to that Court.

Claim construction is reviewed, as a matter of law, *de novo*, by the Federal Circuit. *Markman v. Westview Instruments, Inc.* 52 F.3d 967 (Fed. Cir. 1995) (*en banc*), *aff'd*, 517 U.S. 370 (1996).

This Petitioner preserved its objections on claim construction[1] and briefed the issue before the Federal Circuit. Unfortunately, that Court's treatment of the law of claim construction in this litigation encountered the "sometime" and unpredictable fine line between

"reading a claim in light of the specification"

as opposed to

"reading a limitation into the claim from the specification"[2]

Specifically, over this Petitioner's objection, the trial court refused to instruct the jury that a bladder similar to Figure 4 cannot infringe the product claims of the '331 patent. (A3314; A2664; A2517 of the Federal Circuit Appendix) This erroneous jury instruction, based on a misconstruction of the claims, was briefed in this Petitioner's JMOL motion before the trial court and in the appeal to the Federal Circuit.

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[1] The Federal Circuit was not bound by the jury instructions, even in the absence of an objection, when reviewing a renewed motion for JMOL. *Markman v. Westview Instruments, Inc.* 52 F.3d 967, 975 n.5 (Fed. Cir. 1995) (*en banc*), *aff'd*, 517 U.S. 370 (1996). This was a topic at Oral Argument; the Federal Circuit did continue with its claim construction efforts, albeit erroneously.

[2] *Comark Communications, Inc. v. Harris Corp.*, 156 F.3d 1182, 1186 (Fed. Cir. 1998)

Therefore, this Petitioner's claim construction issue is properly preserved for this Petition for Certiorari. If given the opportunity with a grant of the Writ of Certiorari, this Petitioner will demonstrate why the Federal Circuit's conflicted law of claim construction did not permit a proper consideration of Figure 4 in the '331 patent and the necessary interpretation of the product claims of that '331 patent which require:

> ... a fabric layer of spaced cords *calendered with a coating of unvulcanized uncured rubbery polymer partially embedded in the rubbery polymer surface,* the spaces between the cords being free of said polymer at said surface *so that such cords project above said surface.* (Emphasis Added)

Everyone recognized that "unvulcanized uncured rubbery polymer" is not in the final claimed product. How one gets from "unvulcanized uncured rubbery polymer" to a cured product where cords "project above the surface" requires interpretation of the claim language. That the only known way to get from "uncured rubbery polymer" to the projecting cord product is "abrading" is a subset of the main issue of claim construction: what do these claims mean, when the disclosure of Figure 3 is covered by the claims but the disclosure of Figure 4 is not?

Within the context of imperfect claim language all too often present in issued patents, this Petition presents this Court with an opportunity to reconcile the unpredictable difference between reading claims in light of the specification vs. reading a limitation into the claim from the specification.[3]

According to Judge Dyk of the Federal Circuit, the Federal Circuit does not provide adequate guidance as to

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[3] *Comark Communications, Inc. v. Harris Corp.*, 156 F.3d 1182, 1186 (Fed. Cir. 1998)

when it is appropriate to look to the specification to narrow the claim by interpretation and when it is not appropriate to do so. *SciMed Life Sys., Inc. v. Advanced Cardiovascular Sys., Inc.*, 242 F.3d 1337, 1347 (Fed. Cir. 2001) (concurring opinion).

II. *Certiorari* Should Be Granted Because Objections to Erroneous Jury Instructions were Preserved for Appeal but not Addressed by the Federal Circuit, the Only Available Forum.

There are two more jury instructions that this Petitioner objected to at the trial and briefed before the Federal Circuit, neither of which received appropriate attention from the Federal Circuit panel:

the Willfulness Instruction (A2520; A3402-A3404 of the Federal Circuit Appendix), and

the Lost Profits Damages instruction (A2519 of the Federal Circuit Appendix).

With respect to the Willfulness instruction, this Petitioner briefed the Federal Circuit that it challenged the jury instruction because it contained factors that demonstrate willfulness (which is for the jury) with the factors that can support enhancement (which is committed to district-court discretion). From this Petitioner's reading of the Federal Circuit opinion at App. 9a, this argument of confusion of factors was not addressed and should have been. The Federal Circuit only addressed what happened after the jury returned its verdict, not the instruction that was given to create that verdict. The Federal Circuit did not address the erroneousness of the jury charge itself.

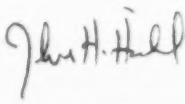
With respect to the Lost Profits Damages instruction, the jury was not instructed about the required second step of the lost-profits analysis. Regardless of who had the burden to prove it, the jury was not required to even consider the presence of non-infringing alternatives. That instruction is

contrary to law, which is reviewable *de novo*, by the Federal Circuit.[4] If given the opportunity with a grant of the Writ of Certiorari, this Petitioner will demonstrate why the Federal Circuit's failure to address this appealed issue harmed this Petitioner, because it is undeniable that even with a two-supplier market, this Petitioner made and sold to its own tire plants many bladders that were non-infringing alternatives.[5]

CONCLUSION

For the reasons set forth in the Petition for Writ of Certiorari dated June 28, 2001 and in this reply above, the petition should be granted.

Respectfully submitted,



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[4] *Markman v. Westview Instruments, Inc.* 52 F.3d 967, 975 (Fed. Cir. 1995) (*en banc*), *aff'd*, 517 U.S. 370 (1996).

[5] Intracompany sales of supposedly-infringing bladders were included for calculation of damages; Intracompany sales of non-infringing alternatives were not considered for determination of lost profit damages. At trial, this Petitioner was penalized by including the first but not considering the second.